

**The Association of Building, Mechanical and Electrical Inspectors
Of the City of San Jose**

March 29, 2010

Gina Donnelly
Deputy Director of Employee Relations
City of San Jose
200 E. Santa Clara St.
San Jose, CA 95113



Dear Ms. Donnelly,

On March 24, 2010, the Association of Building, Mechanical and Electrical Inspectors (ABMEI) held a meeting of the general membership to consider acceptance of the City's "Last, Best, Final Offer."

Since September of 2009, our negotiating team has worked diligently to develop realistic contract proposals that reflect the priorities of our members while acknowledging the City's continuing financial dilemma. With the Mayor's June budget message as a guide, our initial proposals reflected "true zeros" with very few modifications to contract language. In October, we learned of the Council's strategy to address a portion of the budget shortfall by reducing employee compensation and benefits by 5%, a strategy that proved overly optimistic in its reliance on enhanced tax revenues, increased fees and operational efficiencies. With the release of March Budget Memo, it has become apparent that the Mayor intends to climb out of the current budgetary quagmire largely on the backs of city employees, through wage cuts, benefit concessions and layoffs.

Our members are keenly aware of the consequences associated with budgetary deficits. Between March of 2009 and the beginning of this year, 33 of our 86 members were laid off (38%). No bargaining unit in the City has incurred more layoffs than our group. In an effort to limit further reductions to our rapidly dwindling numbers, our members proactively petitioned City management to implement a furlough program for fiscal year 2009-2010. As a result, every member of our group has struggled with their own, personal budget deficit. The aggregate effect of the proposed wage cuts, increased health care costs, the loss of negotiated paid training and the reduction of unused sick leave payouts will cost our members an average of more than \$9000.

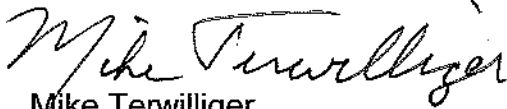
In exchange for this sacrifice, the City has offered little assurance that our members donation to the General Fund will do anything other than allow the continued funding of business subsidies, the purchase of pricey artwork, the financial support of unprofitable City ventures, or even the enhanced benefits of other bargaining units.

Despite these concerns, our membership authorized the negotiating team to present counterproposals during the mediation process that included wage cuts and concessions equaling or exceeding the cost savings sought by the City, all of which were rejected by your team. Like most City employees, our members favor solutions that include furloughs, wage freezes, temporary wage cuts, and other concessions that generate comparable savings and allow the City time to prioritize services, cut unnecessary programs, enhance revenues and work collectively with all bargaining units to address pension issues that affect everyone's financial stability. The City's insistence on a predetermined formula has effectively derailed the collaborative process and stymied any hope of a negotiated settlement.

As discussed during negotiations, using the current fiscal crisis to implement contract concessions that negate years of collective bargaining, virtually guaranteed disapproval by our bargaining unit.

As a reflection of our members concerns, the outcome of the vote was predictable. 100% of the members in attendance voted not to accept the City's proposal.

Sincerely,



Mike Terwilliger

Lead Negotiator

Association of Building, Mechanical and Electrical Inspectors (ABMEI)

- c. Mayor Reed
- Debra Figone
- Councilmembers